

BALL JANIK LLP

A T T O R N E Y S

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June 17, 2002

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, DC 20423

RECORDATION NO. 23981-A FILED

JUN 17 '02 10-42 AM

SURFACE TRANSPORTATION BOARD

Dear Secretary Williams:

I have enclosed the original and one certified copy of the document described below, to be recorded pursuant to 49 U.S.C. § 11301.

The document is a Partial Termination—Domestic Guarantor, a secondary document, dated as of June 10, 2002. The primary document to which this is connected is recorded under Recordation No. 23981. We request that one copy of this document be recorded under Recordation No. 23981-A.

The name and address of the party to the Partial Termination—Domestic Guarantor is:

Secured Party:

The Bank of Nova Scotia
600 Peachtree Street, Suite 2700
Atlanta, GA, 30308

A description of the equipment covered by the Partial Termination—Domestic Guarantor consists of all equipment now owned or hereafter acquired by the Austin & Northwestern Railroad Company, Inc.

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Honorable Vernon A. Williams
June 17, 2002
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A fee of \$30.00 is enclosed. Please return the original to:

Louis E. Gitomer
Of Counsel
Ball Janik LLP
Suite 225
1455 F Street, N.W.
Washington, DC 20005

A short summary of the document to appear in the index follows: a Partial Termination—Domestic Guarantor by The Bank of Nova Scotia, 600 Peachtree Street, Suite 2700, Atlanta, GA, 30308, covering all equipment now owned or hereafter acquired by the Austin & Northwestern Railroad Company, Inc.

Very Truly Yours,


Louis E. Gitomer

Enclosures

RECORDATION NO. 23981-A FILED

JUN 17 '02 10:42 AM

PARTIAL TERMINATION—DOMESTIC GUARANTOR

SURFACE TRANSPORTATION BOARD

This Partial Termination dated as of June 10, 2002 is executed by The Bank of Nova Scotia, as Collateral Agent.

WHEREAS, The Bank of Nova Scotia, as Collateral Agent, and RailAmerica, Inc., a Delaware corporation, Palm Beach Rail Holdings, Inc., a Delaware corporation, and RailAmerica Transportation Corp., a Delaware corporation, and the Domestic Guarantors are parties to that certain Memorandum of U.S. Guarantee and Security Agreement dated as of May 23, 2002 (the "Memorandum"), which has been recorded with the Surface Transportation Board (the "Board") on May 23, 2002 at 4:54 p.m. under Recordation Number 23981; and

WHEREAS, the duties and obligations of the Domestic Guarantor, Austin & Northwestern Railroad Company, Inc., to the Memorandum has been satisfied and discharged;

NOW, THEREFORE, in consideration of the promises and covenants in the document set forth above by reference, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and the authority to issue and execute this document, intending to be legally bound, the Collateral Agent hereby releases the assignment, pledge, hypothecation, charge, and mortgage of the Domestic Guarantor listed on Schedule I as attached hereto.

IN WITNESS WHEREOF, the Collateral Agent has caused this Partial Termination to be duly executed as of the date hereinabove first written.

THE BANK OF NOVA SCOTIA,

As Collateral Agent

By: W. E. Zarrett

Title: William E. Zarrett
Managing Director

State of Georgia)

) ss.

County of Fulton)

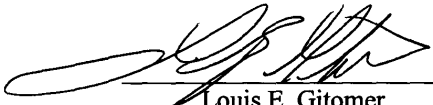
On this 10th day of June 2002, before me, James R. Willson, the undersigned Notary Public, personally appeared William E. Zarrett personally known to me to be the person who executed the within instrument as Managing Director on behalf of the corporation therein named, and acknowledged to me that the corporation executed it.

James R. Willson
Notary Public for Georgia

My Commission expires 8-22-03

CERTIFICATION

I, Louis E. Gitomer, have compared this copy to the original Partial Termination—Domestic Guarantor dated as of June 10, 2002, and found the copy to be complete and identical in all respects to the original document. I declare under penalty of perjury that the foregoing is true and correct.



Louis E. Gitomer
June 17, 2002